

DEL NORTE COUNTY ECONOMIC FORECAST

Del Norte County is located in the north-western corner of California. The county shares its northern border with the state of Oregon. The closest large city (with a population of 100,000 or more residents) is Eugene, Oregon, 225 miles to the north. Del Norte County has a population of 29,500 people and 8,417 wage and salary jobs. The per capita income in Del Norte County is \$25,554, and the average salary per worker is \$38,719.

In 2009, 85 total wage and salary jobs were lost in Del Norte County, a decline of 1.0 percent. Non-farm employment accounts for over 95 percent of total employment. The unemployment rate increased to 12.5 percent in 2009.

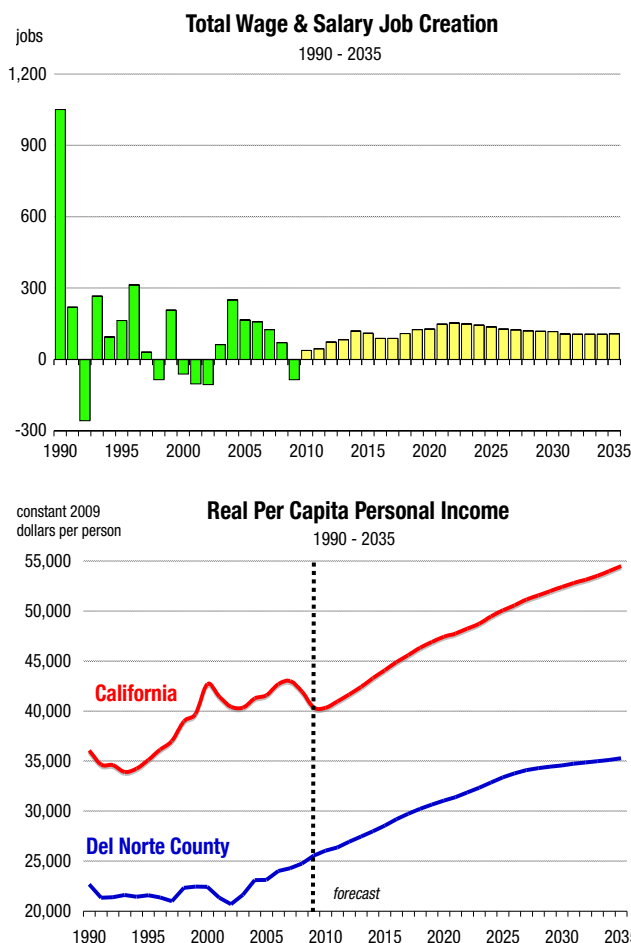
The public sector is the largest employment sector in the county, contributing 46 percent of total employment. The public sector fared well during 2009, reducing employment by only 0.1 percent. Pelican Bay State Penitentiary, located in Crescent City, is one of the largest employers in the county. The penitentiary employs 1,500 people, and houses over 3,400 inmates.

The only non-farm sectors to create jobs during 2009 were construction and financial activities, which grew by 2.9 and 2.1 percent, respectively. The largest employment losses were in the education and healthcare (-41 jobs), leisure (-19 jobs) and retail trade (-19 jobs) sectors.

The population grew in Del Norte County at a rate of 0.2 percent in 2009. The only incorporated city in the county is Crescent City, which grew in population by 0.2 percent between January 2008 and January 2009. Migration was positive last year, with an estimated 61 net migrants entering the county.

FORECAST HIGHLIGHTS

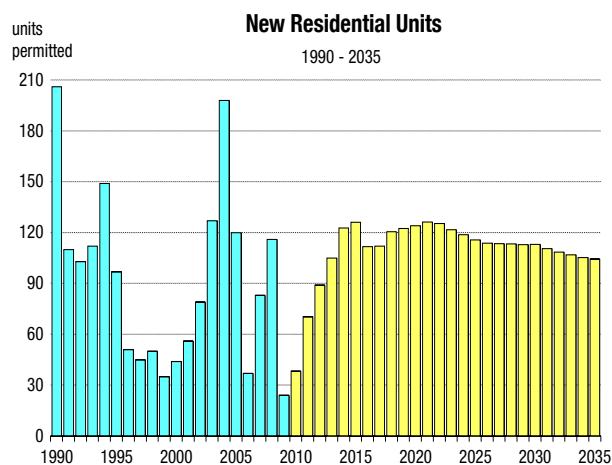
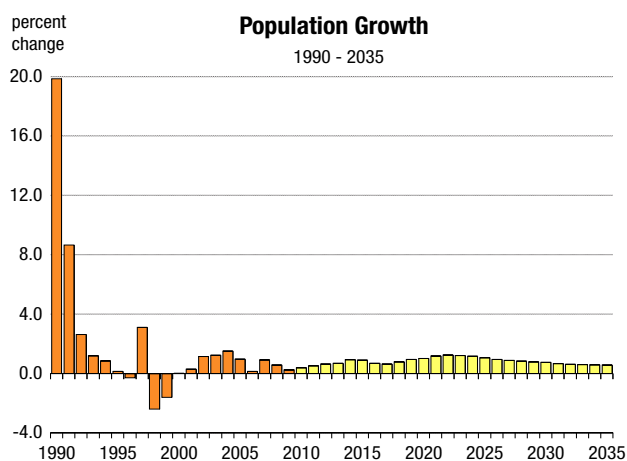
- Total wage and salary employment is forecast to grow 0.4 percent in 2010. From 2010 to 2015, total employment growth averages 1.0 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to rise an average of 0.7 percent per year over the 2010 to 2015 period.
- Between 2010 and 2015, the principle job creation is in government, healthcare and education, retail trade, construction, and manufacturing. These sectors account for nearly all jobs created in the county during this time.
- The population in the county will continue to grow, but at a slower rate than the state average. Annual growth in the 2010 to 2015 period averages a modest 0.7 percent per year.
- Net migration will rise to an estimated 90 people in 2010. Over the next five years migration is expected to average approximately 190 net migrants per year.
- Real per capita income is forecast to rise 1.9 percent in 2010. From 2010 to 2015 per capita incomes are expected to increase an average of 1.8 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to grow 1.6 percent in 2010. Between 2010 and 2015 real taxable sales growth is forecast to average 1.7 percent per year.
- Industrial production is forecast to decline sharply in 2010, by 23 percent. Over the next five years industrial production is forecast to rebound, growing by an average of 13.2 percent per year. Total crop production, adjusted for inflation, is expected to increase by an average of 0.5 percent per year between 2010 and 2015. The principle agricultural product in the county is cattle.



Del Norte County Economic Forecast

2002-2009 History, 2010-2035 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (millions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2002	27,912	251	24.9	9.3	79	\$190.2	\$0.50	\$20,705	1.6	34.3	17.6	8.8
2003	28,254	302	25.3	9.3	127	\$191.3	\$0.53	\$21,632	1.8	39.1	15.2	8.5
2004	28,679	419	27.2	9.4	198	\$203.7	\$0.59	\$23,106	1.2	45.3	17.9	8.1
2005	28,955	223	27.3	9.5	120	\$216.5	\$0.60	\$23,120	2.0	46.5	23.8	7.5
2006	28,995	-7	27.7	9.6	37	\$227.5	\$0.65	\$24,025	3.2	47.1	25.9	6.9
2007	29,260	176	27.9	9.7	83	\$239.3	\$0.68	\$24,291	3.4	41.8	22.3	7.5
2008	29,428	116	27.6	9.8	116	\$232.2	\$0.72	\$24,752	3.0	40.2	20.7	8.8
2009	29,500	61	27.3	9.8	24	\$224.8	\$0.75	\$25,554	0.8	38.6	21.0	12.5
2010	29,614	90	27.4	9.8	38	\$233.1	\$0.79	\$26,046	2.1	39.9	16.1	13.8
2011	29,769	127	27.5	9.9	70	\$242.4	\$0.82	\$26,364	2.4	40.4	21.4	12.5
2012	29,958	160	27.7	9.9	89	\$252.0	\$0.86	\$26,942	2.1	40.7	23.3	10.7
2013	30,165	176	27.9	10.0	105	\$262.1	\$0.90	\$27,444	2.2	40.9	23.7	9.8
2014	30,447	252	28.2	10.1	123	\$272.5	\$0.95	\$27,974	2.2	41.0	27.3	8.8
2015	30,722	246	28.4	10.2	126	\$283.2	\$1.00	\$28,544	2.2	41.0	29.9	8.2
2016	30,936	184	28.6	10.3	112	\$293.9	\$1.05	\$29,193	2.2	41.2	32.3	7.8
2017	31,132	168	28.8	10.4	112	\$304.7	\$1.10	\$29,728	2.2	41.4	35.0	7.6
2018	31,375	217	29.0	10.5	121	\$315.5	\$1.15	\$30,219	2.2	41.6	37.9	7.5
2019	31,671	272	29.3	10.6	123	\$326.2	\$1.21	\$30,663	2.2	41.9	41.1	7.1
2020	31,990	297	29.6	10.7	124	\$336.7	\$1.26	\$31,044	2.1	41.8	44.8	7.0
2021	32,367	356	29.9	10.8	126	\$348.9	\$1.32	\$31,404	2.5	41.6	48.3	6.9
2022	32,772	387	30.2	11.0	125	\$361.8	\$1.39	\$31,860	2.6	41.9	51.8	6.7
2023	33,172	385	30.5	11.1	122	\$374.9	\$1.47	\$32,335	2.5	42.2	55.4	6.5
2024	33,557	372	30.8	11.2	119	\$388.1	\$1.54	\$32,845	2.4	42.5	59.1	6.3
2025	33,912	347	31.0	11.3	116	\$401.9	\$1.63	\$33,373	2.5	42.8	63.1	6.2
2026	34,236	319	31.3	11.4	114	\$416.0	\$1.70	\$33,774	2.5	43.0	67.2	6.1
2027	34,541	303	31.5	11.5	114	\$430.6	\$1.78	\$34,087	2.6	43.0	71.5	6.0
2028	34,828	289	31.7	11.6	113	\$445.9	\$1.85	\$34,285	2.8	43.2	76.0	5.9
2029	35,101	280	32.0	11.7	113	\$461.3	\$1.93	\$34,441	2.7	43.4	80.7	5.7
2030	35,368	277	32.2	11.8	113	\$476.5	\$2.00	\$34,567	2.7	43.2	85.7	5.6
2031	35,602	249	32.4	11.9	111	\$492.0	\$2.08	\$34,732	2.7	43.0	88.6	5.5
2032	35,822	239	32.6	12.0	109	\$507.6	\$2.15	\$34,851	2.7	43.4	91.5	5.5
2033	36,036	236	32.8	12.1	107	\$523.4	\$2.23	\$34,996	2.7	43.9	94.6	5.5
2034	36,245	236	32.9	12.2	105	\$539.5	\$2.32	\$35,120	2.7	44.2	97.8	5.5
2035	36,454	239	33.1	12.3	104	\$556.0	\$2.40	\$35,282	2.7	44.3	101.0	5.5

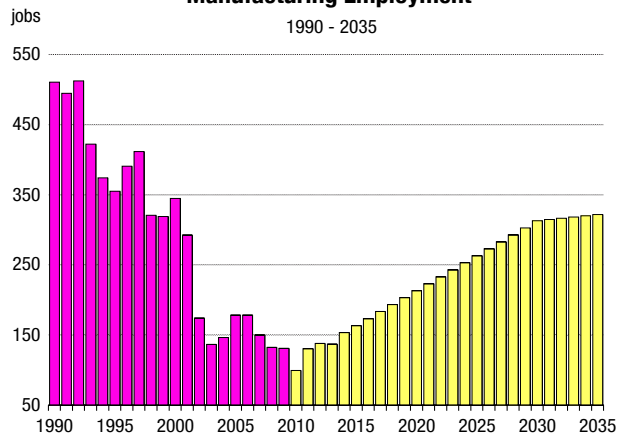


Del Norte County Employment Forecast

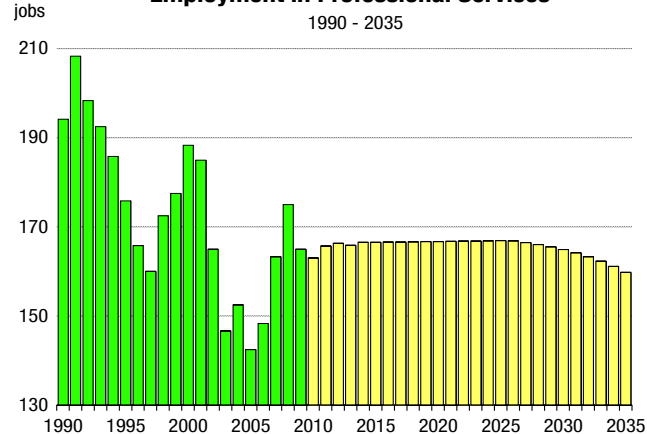
2002-2009 History, 2010-2035 Forecast

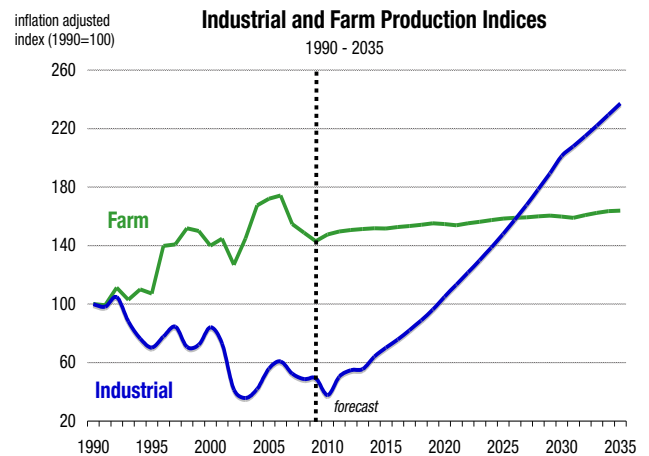
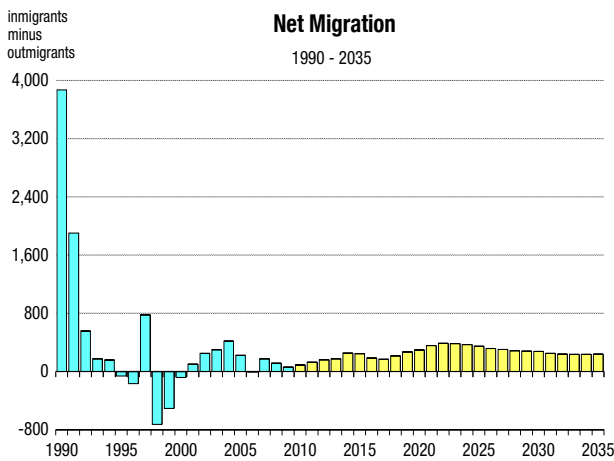
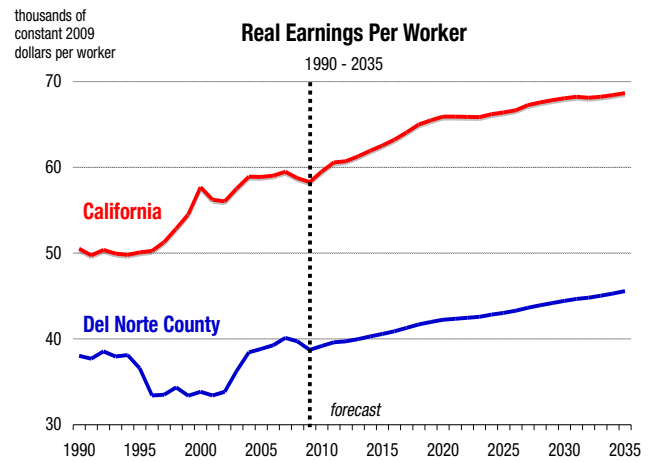
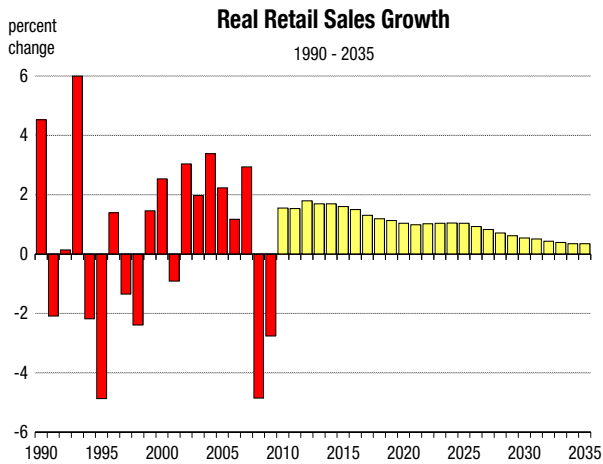
	Total Wage & Salary	Farm	Construction	Manufac- turing	Trade, Trans- poration & Utilities	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)										
2002	7.7	0.40	0.21	0.17	1.10	0.17	0.17	0.13	0.99	0.82	3.42
2003	7.7	0.38	0.26	0.14	1.12	0.19	0.15	0.12	0.98	0.82	3.49
2004	8.0	0.38	0.26	0.15	1.18	0.20	0.15	0.10	0.99	0.88	3.62
2005	8.1	0.41	0.29	0.18	1.20	0.21	0.14	0.11	1.05	0.90	3.59
2006	8.3	0.42	0.27	0.18	1.23	0.22	0.15	0.11	1.12	0.88	3.66
2007	8.4	0.39	0.25	0.15	1.26	0.22	0.16	0.11	1.19	0.87	3.76
2008	8.5	0.38	0.28	0.13	1.20	0.20	0.18	0.11	1.21	0.87	3.87
2009	8.4	0.39	0.29	0.13	1.18	0.20	0.17	0.11	1.17	0.85	3.87
2010	8.5	0.39	0.30	0.10	1.18	0.20	0.16	0.11	1.21	0.87	3.86
2011	8.5	0.39	0.32	0.13	1.18	0.21	0.17	0.11	1.24	0.87	3.82
2012	8.6	0.39	0.33	0.14	1.19	0.21	0.17	0.11	1.27	0.88	3.82
2013	8.7	0.40	0.34	0.14	1.21	0.21	0.17	0.11	1.29	0.88	3.84
2014	8.8	0.40	0.36	0.15	1.22	0.21	0.17	0.11	1.32	0.88	3.87
2015	8.9	0.40	0.36	0.16	1.24	0.21	0.17	0.12	1.35	0.88	3.91
2016	9.0	0.40	0.35	0.17	1.26	0.21	0.17	0.12	1.38	0.89	3.95
2017	9.1	0.40	0.35	0.18	1.27	0.22	0.17	0.12	1.40	0.89	3.99
2018	9.2	0.40	0.36	0.19	1.28	0.22	0.17	0.12	1.43	0.89	4.04
2019	9.3	0.39	0.36	0.20	1.30	0.22	0.17	0.12	1.47	0.90	4.10
2020	9.4	0.39	0.36	0.21	1.31	0.22	0.17	0.12	1.50	0.90	4.16
2021	9.6	0.39	0.36	0.22	1.32	0.22	0.17	0.13	1.55	0.91	4.23
2022	9.7	0.39	0.36	0.23	1.34	0.22	0.17	0.13	1.60	0.91	4.30
2023	9.9	0.39	0.36	0.24	1.35	0.22	0.17	0.13	1.65	0.92	4.36
2024	10.0	0.39	0.36	0.25	1.37	0.22	0.17	0.14	1.70	0.92	4.42
2025	10.2	0.39	0.35	0.26	1.38	0.22	0.17	0.14	1.74	0.92	4.49
2026	10.3	0.39	0.35	0.27	1.40	0.22	0.17	0.14	1.78	0.93	4.55
2027	10.4	0.39	0.35	0.28	1.41	0.23	0.17	0.14	1.82	0.93	4.60
2028	10.5	0.39	0.35	0.29	1.42	0.23	0.17	0.14	1.86	0.94	4.66
2029	10.6	0.39	0.35	0.30	1.42	0.23	0.17	0.15	1.89	0.94	4.72
2030	10.8	0.39	0.35	0.31	1.43	0.23	0.16	0.15	1.93	0.94	4.77
2031	10.9	0.40	0.35	0.31	1.43	0.24	0.16	0.15	1.97	0.94	4.83
2032	11.0	0.40	0.35	0.32	1.43	0.24	0.16	0.15	2.01	0.95	4.89
2033	11.1	0.40	0.35	0.32	1.44	0.24	0.16	0.15	2.05	0.95	4.95
2034	11.2	0.40	0.35	0.32	1.44	0.24	0.16	0.15	2.09	0.95	5.01
2035	11.3	0.40	0.35	0.32	1.44	0.24	0.16	0.16	2.13	0.96	5.06

Manufacturing Employment



Employment in Professional Services





County Economic and Demographic Indicators

Projected Economic Growth (2010-2015)

Expected retail sales growth:	8.6%
Expected job growth:	5.1%
Fastest growing jobs sector:	Manufacturing
Expected personal income growth:	13.7%

Expected population growth:	3.7%
Net migration to account for:	86.8%
Expected growth in number of vehicles:	3.6%

Demographics (2009)

Unemployment rate (December)	12.5%
County Rank* in California (58 counties):	24th
Working age (16-64) population:	69.0%

Population with B.A. Degree or higher:	11.1%
Median Home Selling Price:	\$167,920
Median Household Income:	\$37,327

Quality of Life

Violent Crime rate (2008):	388 per 100,000 persons
County Rank* in California (58 counties):	26th
Average Commute Time to work (2009):	16.7 minutes

High School drop out rate (2008):	16.1%
Households at/below poverty line:	16.5%

* The county ranked 1st corresponds to the lowest rate in California